

BEFORE THE ARIZONA CORPORATION C

KRISTIN K. MAYES
Chairman
GARY PIERCE
Commissioner
PAUL NEWMAN
Commissioner
SANDRA D. KENNEDY
Commissioner
BOB STUMP
Commissioner

Arizona Corporation Commission

DOCKETED

MAR 17 2009

DOCKETED BY

IN THE MATTER OF THE APPLICATION OF MOUNT TIPTON WATER CO., INC. FOR AN EMERGENCY RATE INCREASE

DOCKET NO. W-02105A-08-0262

ORDER AMENDING DECISION NO. 70559

Open Meeting March 3 and 4, 2009 Phoenix, Arizona

BY THE COMMISSION:

Pursuant to Arizona Revised Statutes ("A.R.S.") § 40-252 the Arizona Corporation Commission ("Commission") finds, concludes and orders that Decision No. 70559 is amended to modify certain bond requirements as follows:

FINDINGS OF FACT

- 1. On May 23, 2008, Mount Tipton Water Co., Inc. ("Mount Tipton") filed with the Commission an application requesting emergency rate relief to increase its cash flow so as to cover operating expenses and increase water availability to its customers. Mount Tipton specifically requested an emergency rate increase of \$10.00 per customer per month.
- On October 23, 2008, the Commission issued Decision No. 70559, granting Mount Tipton an emergency interim surcharge of \$10.00 per month per metered customer, with the condition that the surcharge would not become effective and could not be billed for or collected until after Mount Tipton had posted a performance bond or irrevocable sight draft letter of credit in the amount of \$20,000 with the Commission.

- 3. On November 19, 2008, Mount Tipton filed a letter stating that Mount Tipton is unable to secure a \$20,000 performance bond and requesting that the Commission reconsider the bond requirement and perhaps allow Mount Tipton to self fund an account in the amount of \$10,000 that would be kept out of the reach of Mount Tipton. Mount Tipton proposed seeding the account with \$5,000 and putting in \$1,000 monthly until it reached \$10,000.
- 4. During the February 3, 2009 Open Meeting, the Commission, after speaking with a representative of the Company, directed Commission Staff to work with Mount Tipton regarding the bond amount and to bring a recommendation under A.R.S. §40-252.
- 5. On February 5, 2009, Staff contacted Mount Tipton regarding its financial status. Mount Tipton indicated that it would be able to obtain a \$5,000 performance bond or letter of credit.
- 6. Staff believes that under the circumstances reducing the amount of the bond or letter of credit is in the public interest, and recommends that the Commission amend Decision No. 70559 to reduce the performance bond or letter of credit amount from \$20,000 to \$5,000. The performance bond or letter of credit should be filed within 30 days of the date of this Decision. We agree with Staff.
- 7. Staff contacted Mount Tipton, and Mount Tipton fully supports an amendment to Decision No. 70559 to reduce the performance bond or letter of credit amount from \$20,000 to \$5,000. While Mount Tipton is entitled to an evidentiary hearing, if desired, it indicated a desire to have this matter considered by the Commission at its earliest possible Open Meeting without an additional evidentiary hearing.

CONCLUSIONS OF LAW

- 1. Mount Tipton is an Arizona public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-281 and 40-282.
- 2. The Commission has jurisdiction over Mount Tipton and over the subject matter of this docket.

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IT IS FURTHER ORDERED that Mount Tipton Water Co., Inc. shall file with the Commission's Business Office the original performance bond or letter of credit and shall file the required number of copies with Docket Control, as a compliance item in this docket, within 30 days of the date of this Decision.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

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| 14 (| | IN WITNESS WHEREOF, I MICHAEL P. KEARNS, Interim |
| 15 | | Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this |
| 16 | | Commission to be affixed at the Capitol, in the City of Phoenix, this /// day of ///// , 2009. |
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| 19 | | MICHAEL P. KEAKNS Interim Executive Director |
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Decision No. 70838

| 1 | SERVICE LIST FOR: Mount Tipton Water Co., Inc. |
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